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**AVOUELLES PROGRESS ACTION COMMITTEE, INC.
MARKSVILLE, LOUISIANA**

**AUDITOR'S REPORT
SEPTEMBER 30, 2013**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 17 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Avoyelles Progress Action Committee, Inc.
Marksville, Louisiana

Report on Financial Statements

I have audited the accompanying statement of financial position of the Avoyelles Progress Action Committee, Inc. (a nonprofit organization) as of September 30, 2013, and the related statements of activities, changes in net assets, cash flows and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Progress Action Committee, Inc. as of September 30, 2013 and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated August 8, 2014, on my consideration of Avoyelles Progress Action Committee, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The accompanying financial information on pages 17-19 listed as supplementary information in the table of contents is presented for purpose of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards contained in Appendix A is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements of the Avoyelles Progress Action Committee, Inc. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Certified Public Accountant

Alexandria, Louisiana
August 8, 2014

BASIC FINANCIAL STATEMENTS

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2013

	Direct Federal Program	Indirect Federal Programs	Non-Federal Programs	Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ -	\$ 85,475	\$ 197,508	\$ 282,983
Grants Receivable	26,000	70,665	-	96,665
Due From Other Programs	93,426	57,617	-	151,043
Total Current Assets	<u>119,426</u>	<u>213,757</u>	<u>197,508</u>	<u>530,691</u>
Property, Plant and Equipment				
Net of Accumulated Depreciation	2,197,581	33,047	111,264	2,341,892
Other Assets				
Deposits	100	-	-	100
TOTAL ASSETS	<u>\$ 2,317,107</u>	<u>\$ 246,804</u>	<u>\$ 308,772</u>	<u>\$ 2,872,683</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 23,938	\$ 26,119	\$ 25,786	75,843
Bank Overdrafts	14,951	-	-	14,951
Accrued Expenses	7,675	-	497	8,172
Due to Other Programs	-	90,395	60,648	151,043
Notes Payable, Current Portion	47,617	-	8,492	56,109
Total Current Liabilities	<u>94,181</u>	<u>116,514</u>	<u>95,423</u>	<u>306,118</u>
Long-Term Liabilities				
Notes Payable	1,463,371	-	85,195	1,548,566
Total Liabilities	<u>1,557,552</u>	<u>116,514</u>	<u>180,618</u>	<u>1,854,684</u>
NET ASSETS				
Unrestricted	<u>759,555</u>	<u>130,290</u>	<u>128,154</u>	<u>1,017,999</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,317,107</u>	<u>\$ 246,804</u>	<u>\$ 308,772</u>	<u>\$ 2,872,683</u>

The accompanying notes are an integral part of this statement.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2013

	Direct Federal Program	Indirect Federal Programs	Non-Federal Programs	Total
Support				
Grants Earned	\$ 2,018,173	\$ 1,026,496	\$ -	\$ 3,044,669
In-Kind Contributions	603,400	-	-	603,400
Other Support	7,426	5	3,885	11,316
Total Support	<u>2,628,999</u>	<u>1,026,501</u>	<u>3,885</u>	<u>3,659,385</u>
Expenses				
Program Services				
Salaries	1,008,751	312,069	-	1,320,820
Fringe Benefits	132,538	42,224	-	174,762
Contractual	7,752	4,163	-	11,915
Travel	46,827	4,669	486	51,982
Space Costs	117,822	3,799	7,555	129,176
Consumable Supplies	426,234	65,960	3,870	496,064
Materials/Food Costs	-	633,066	-	633,066
Other Expenses	77,437	16,862	17,959	112,258
In-Kind Contributions	603,400	-	-	603,400
Total Program Services	<u>2,420,761</u>	<u>1,082,812</u>	<u>29,870</u>	<u>3,533,443</u>
Increase (Decrease) in Unrestricted Net Assets Before Operating Transfers	208,238	(56,311)	(25,985)	125,942
Operating Transfers In (Out)	<u>(167,696)</u>	<u>31,074</u>	<u>136,622</u>	<u>-</u>
Increase (Decrease) in Unrestricted Assets	40,542	(25,237)	110,637	125,942
Net Assets, Beginning of the Year	<u>719,013</u>	<u>155,527</u>	<u>17,517</u>	<u>892,057</u>
Net Assets, End of the Year	<u>\$ 759,555</u>	<u>\$ 130,290</u>	<u>\$ 128,154</u>	<u>\$ 1,017,999</u>

The accompanying notes are an integral part of this statement.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2013

	Direct Federal Program	Indirect Federal Programs	Non-Federal Programs	Total
Cash-Flows from Operating Activities:				
Change in Net Assets	\$ 40,542	\$ (25,237)	\$ 110,637	\$ 125,942
Adjustments to reconcile changes in Net Assets to Net Cash Provided				
Operating Activities:				
Depreciation	92,814	16,212	3,871	112,897
(Increase) Decrease in Operating Assets:				
Grants Receivable	(10,100)	67,922	-	57,822
Other Receivables	(54,593)	(9,699)	4,528	(59,764)
Increase (Decrease) in Operating Liabilities:				
Accounts Payable	(28,439)	(76,464)	23,898	(81,005)
Accrued Expenses	-	-	(23,983)	(23,983)
Other Payables	-	(884)	60,648	59,764
Net Cash Provided by Operating Activities	40,224	(28,150)	179,599	191,673
Cash Flow from Financing Activities:				
Proceeds from Debt	-	-	-	-
Transfers (To) From Other Funds	-	-	-	-
Principal Payments on Debt	(44,207)	-	(7,857)	(52,064)
Net Cash Flow from Financing Activities	(44,207)	-	(7,857)	(52,064)
Cash Flows From Investing Activities:				
Purchase of Property and Equipment	(3,151)	(935)	-	(4,086)
Net-Cash Flows From Investing Activities	(3,151)	(935)	-	(4,086)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,134)	(29,085)	171,742	135,523
Cash and Cash Equivalents, Beginning of the Year	(7,817)	114,560	25,766	132,509
Cash and Cash Equivalents, End of the Year	\$ (14,951)	\$ 85,475	\$ 197,508	\$ 268,032

The accompanying notes are an integral part of this statement.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE A - Summary Of Accounting Policies

Nature of Organization

The Avoyelles Progress Action Committee, Inc. (APAC) was organized in 1965. It was organized to serve as a community action agency for the parish of Avoyelles, Louisiana. Its focus is to provide access to available local, state, federal and private resources to assist the disadvantaged residents of Avoyelles, Point Coupee and Evangeline Parishes.

The Avoyelles Progress Action Committee, Inc. is a nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code is exempt from federal and state income taxes.

Nature of Activities

The primary funding sources and their purposes of APAC are as follows:

Direct Federal Programs

Department of Health and Human Services

Head Start – a full year (nine month) program providing comprehensive early child development for disadvantaged pre-school children, ages 3 and 4.

Indirect Federal Programs

Department of Agriculture

The Child Care Food Program operates in conjunction with the Head Start Program. This program allows APAC to provide a meal program for qualifying students on a cost reimbursement basis.

Department of Energy

The Weatherization Assistance for Low Income Persons Program helps needy individuals with home energy conservation measures.

Department of Health and Human Services

The Community Services Block Grant and the Emergency Community Services for the Homeless Programs help to defray a portion of APAC's administrative costs and to provide various program services to the needy.

The low Income Home Energy Assistance Program (LIHEAP) provides assistance to low-income households in the payment of home utility costs during high energy usage periods of the year.

Department of Social Services

The Temporary Assistance for Needy Families Program (TANF) provides assistance to low-income households in the payment of home utility costs. This program had no activity during the current fiscal year.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

Non-Federal Programs

This accounts for general fund and state appropriated monies to cover other administrative costs of operating the APAC agency. During the year ended September 30, 2012, APAC received no state appropriation monies.

Method of Accounting

The financial statements of APAC have been prepared utilizing the accrual basis of accounting.

Financial Statement Presentation

In 1996, APAC adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, APAC is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

APAC also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1996. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporary restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Plant, Furniture, Fixtures and Equipment

Physical properties, furniture, fixtures and equipment are stated at cost and donated assets are recorded at their estimated fair market values on the dates of donation. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Machinery and Equipment	5-10 Years
Furniture and Fixtures	7 Years

Support and Revenue

Grant revenues are recognized as follows:

For entitlement grants in which unexpended funds are subjected to future reprogramming, the entire amount of the grant award is recognized over the life of the grant. In cases where such grants span the Agency's fiscal year end, revenues are recognized in an amount equal to expenditures in the initial portion of the grant, and any excess is recognized in the period in which the grant terminates.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO FINANCIAL STATEMENTS
September 30, 2013

In cases of cost reimbursement grants where unexpended funds revert to the grantor at the conclusion of the grant period, grant revenues are recognized in an amount equal to expenditures, up to the maximum amount of the grant awarded.

In the case of unrestricted grants, the entire amount of the grant award is recognized as revenue upon receipt.

Expenditures

Purchase of consumables and supplies are recorded as expenditures in the grant period when purchased. Should grant funding cease, such equipment could be returned to the grantor. Because of these expenditures, a perpetual record is maintained on those assets acquired.

Totals – Memo Only

The total columns on the statements are captioned Memo Only to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Donated Services, Material and Facilities

Value of in-kind services is made at current market rates for services, at not more than the federal minimum wage plus applicable fringe costs.

Donations of materials and facilities use are valued at the estimated fair market value of the material or facility at the time of the donation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - Cash, Interest Bearing Deposits and Investments

At September 30, 2013 cash totaled \$249,616 per the general ledger and \$391,317 per bank balances. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 2013 the Agency's accounts, with the exception of \$17,393, were adequately secured from risk by FDIC insurance and securities pledged by the Depositor Bank.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2013

NOTE C - Inter-Program Receivables/Payables

As of September 30, 2013, inter-program receivables/payables consisted of the following:

	<u>Receivables</u>	<u>Payables</u>
Direct Federal Programs		
Headstart	\$ 38,833	\$ -
Indirect		
CSBG	-	5,743
Weatherization	-	10,629
LIHEAP	47,918	-
Child Care Food	-	34,383
WAPARRA	-	40,524
Non-Federal Programs		
General Fund	4,528	-
Totals	<u>\$ 91,279</u>	<u>\$ 91,279</u>

NOTE D - Grants Receivable

As of September 30, 2013, grants receivable was composed of:

Direct Federal Programs	
Headstart	
Department of Health and Human Services	<u>\$ 26,000</u>
Indirect Federal Programs	
Child Care Food - State of Louisiana	\$ 47,409
LIHEAP - Department of Energy	10,535
CSBG - State of Louisiana	500
DOE - Weatherization	12,221
Total Indirect Federal Programs	<u>\$ 70,665</u>
Total of All Programs	<u>\$ 96,665</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO FINANCIAL STATEMENTS
September 30, 2013

NOTE E - Grant Revenue By Source of Funding

Funding Source	
Direct Federal Program:	
Headstart	\$ 2,018,173
Indirect Federal Programs	
Community Service Block Grant	151,200
Department of Energy Weatherization	182,429
LIHEAP Energy Assistance	468,202
Child Care Food	202,746
Department of Energy Weatherization ARRA	<u>21,919</u>
Total of All Programs	<u>\$ 3,044,669</u>

NOTE F - Plant, Furniture, Fixtures and Equipment

As of September 30, 2013, all property and equipment owned by APAC has been acquired with grant monies. Property and equipment consist of the following:

	September 30, 2012	Additions	Deletions	September 30, 2013
<u>Direct Federal</u>				
Land	\$ 115,868	\$ -	\$ -	\$ 115,868
Buildings	2,604,859	-	-	2,604,859
Furniture and Equipment	368,124	3,151	-	371,275
Vehicles	399,002	-	-	399,002
Total	<u>3,487,853</u>	<u>3,151</u>	<u>-</u>	<u>3,491,004</u>
Less: Accum. Deprn.	<u>(1,200,609)</u>	<u>(92,814)</u>	<u>-</u>	<u>(1,293,423)</u>
Net Property and Equip.	<u>\$ 2,287,244</u>	<u>\$ (89,663)</u>	<u>\$ -</u>	<u>\$ 2,197,581</u>
<u>Indirect Federal</u>				
Furniture and Equipment	\$ 165,461	\$ 936	\$ -	\$ 166,397
Less: Accum. Deprn.	<u>(117,137)</u>	<u>(16,213)</u>	<u>-</u>	<u>(133,350)</u>
Net Property and Equip.	<u>\$ 48,324</u>	<u>\$ (15,277)</u>	<u>\$ -</u>	<u>\$ 33,047</u>
<u>General Fund</u>				
Building	\$ 154,803	\$ -	\$ -	\$ 154,803
Less: Accum. Deprn.	<u>(39,668)</u>	<u>(3,871)</u>	<u>-</u>	<u>(43,539)</u>
Net Property and Equip.	<u>\$ 115,135</u>	<u>\$ (3,871)</u>	<u>\$ -</u>	<u>\$ 111,264</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO FINANCIAL STATEMENTS
September 30, 2013

SFAS No. 93, effective for fiscal years beginning after May 15, 1988, requires the recognition of depreciation in the financial statements of a non-profit organization. This statement provides that the nonprofit organization adopt accounting changes needed to conform to the statement's provisions.

Effective for the year ended September 30, 2011, APAC has adopted the provisions of SFAS No. 93. Depreciation is calculated using the straight-line method with assets live of 5 to 40 years.

NOTE G - Changes in Long-Term Debt

The following is a summary of debt transactions of APAC for the year ended September 30, 2013:

	Notes Payable
Long-term debt payable at October 1, 2012	\$ 1,656,740
Long-term debt issued	-
Long-term debt retired	(52,065)
Long-term debt payable at September 30, 2013	\$ 1,604,675

Direct Federal notes payable at September 30, 2013 is composed of the following notes:

<p>On November 15, 2002 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of debt in the amount of \$137,562 to pay the construction cost of the Cinderella Head Start building located in Marksville, Louisiana. The note bears 7.75% interest and is payable over twenty years. At September 30, 2013 the principal balance was \$88,135</p>	88,135
<p>On September 14, 2004 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of debt in the amount of \$82,796 to pay the construction cost of the Lil Bo Beep Head Start building located near Effie, Louisiana. The note bears 7.75% interest and is payable over twenty years. At September 30, 2013 the principal balance was \$60,527</p>	60,527
<p>On March 11, 2005 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of debt in the amount of \$277,362 to pay the construction cost of the Brooks Center Head Start building located in Bunkie, Louisiana. The note bears 7% interest and is payable over twenty years. At September 30, 2013 the principal balance was \$202,848</p>	202,848
<p>In March of 2006 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of debt in the amount of \$215,051 to pay the construction cost of the Jack and Jill Head Start building located in Cottonport, Louisiana. The note bears 7.75% interest and is payable over twenty years. At September 30, 2013 the principal balance was \$169,900</p>	169,900

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO FINANCIAL STATEMENTS
September 30, 2013

In May of 2007 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of debt in the amount of \$143,550 to pay the construction cost of the New Beginnings Head Start building located in Mansura, Louisiana. The note bears 7.75% interest and is payable over twenty years. At September 30, 2013 the principal balance was \$119,033

119,033

In August 2008 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of debt in the amount of \$370,260 to pay the construction cost of the Mother Hubbard Head Start building located in Simmesport, Louisiana. The note bears 7.5% interest and is payable over twenty years. At September 30, 2013 the principal balance was \$349,867

349,867

In February 2009 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of debt in the amount of \$324,869 to pay the construction cost of the Mother Goose Head Start building located in Hessmer, Louisiana. The note bears 7.5% interest and is payable over twenty years. At September 30, 2013 the principal balance was \$310,051

310,051

In January 2011 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of debt in the amount of \$216,590 to pay the construction cost of the Humpty Dumpty Head Start building located in Moreauville, Louisiana. The note bears 7.5% interest and is payable over twenty years. At September 30, 2013 the principal balance was \$210,627

210,627

Total Debt Owed by Direct Federal Programs

\$1,510,988

The annual requirements to amortize the debt outstanding as of September 30, 2013, including interest payments are as follows:

Notes Payable Financed by Direct Federal Programs

Year Ending June 30,	Interest	Principal	Total
2014	\$ 111,788	\$ 47,617	\$ 159,405
2015	108,093	51,312	159,405
2016	104,109	55,296	159,405
2017	99,813	59,592	159,405
2018	95,182	64,223	159,405
2019-2023	393,290	391,178	784,468
2024-2028	253,557	281,170	534,727
2029-2032	174,231	208,386	382,617
2033-2037	79,781	298,821	378,602
2038-2041	3,634	53,393	57,027
Total	<u>\$ 1,423,478</u>	<u>\$ 1,510,988</u>	<u>\$ 2,934,466</u>

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO FINANCIAL STATEMENTS
September 30, 2013

General Fund notes payable at September 30, 2013 is composed of the following note:

On May 6, 2002 the Board of Directors of the Avoyelles Progress Action Committee authorized the incurrence of debt in the amount of \$156,713 to pay the cost of Administration Building. The note bears 7.75% interest and is payable over twenty years. At September 30, 2012 the principal balance was \$108,689. The amount of debt owned at September 30, 2013 was \$93,687

\$ 93,687

The annual requirements to amortize the debt outstanding as of September 30, 2013, including interest payments are as follows:

Notes Payable Financed by Indirect Federal Programs

Year Ending June 30,	Interest	Principal	Total
2014	\$ 6,956	\$ 8,492	\$ 15,448
2015	6,275	9,173	15,448
2016	5,538	9,910	15,448
2017	4,742	10,706	15,448
2018	3,883	11,565	15,448
2019-2022	5,805	43,841	49,646
Total	<u>\$ 33,199</u>	<u>\$ 93,687</u>	<u>\$ 126,886</u>

NOTE H - Board Members Per Diem

Board members of the Avoyelles Progress Action Committee have not received per diem or any other type of compensation during the audit period.

NOTE I - Employee Benefit Plan

Avoyelles Progress Action Committee established a defined contribution salary deferral plan, covering employees of the agency. The plan has been adopted in accordance with Section 403(B) of the Internal Revenue Code. Under the plan, the Avoyelles Progress Action Committee contributes a discretionary matching contribution equal to a percentage of the amount of the salary reduction elected by the employee, up to 5% of compensation. The employee may elect a salary reduction up to the maximum annual allowable amount established by applicable Internal Revenue Code Sections. During the year ended September 30, 2013, Avoyelles Progress Action Committee contributed \$25,853, as the agency's match to the plan.

NOTE J - Commitments and Contingencies

In September 2007, the Avoyelles Progress Action Committee, Inc. opened a revolving line of credit in the amount of \$50,000 at the Union Bank. The line of credit was renewed in September 2009. The purpose of the line of credit is to provide temporary cash funds while awaiting grant reimbursement revenues if needed by the Agency. As of September 30, 2013, there was no outstanding balance on this line of credit.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO FINANCIAL STATEMENTS
September 30, 2013

NOTE K - Evaluation of Subsequent Events

The Agency has evaluated subsequent events through August 8, 2014, the date, which the financial statements were available to be issued.

As of July 31, 2014, Avoyelles Progress Action Committee no longer administers the Head Start and Child Care Food Programs.

NOTE L - Theft Allegation

During the current fiscal year under audit, an allegation regarding the misappropriation of Organization funds by the Organizations former accountant, in the amount of \$27,000, has been made. The missing funds were discovered as part of the internal control procedures installed by the Organization. The allegation was turned over to the Avoyelles Parish Sheriff's Office for investigation. The investigation is complete and has been turned over to the Avoyelles District Attorney's office for disposition. The District Attorney has brought charges and the case is set for trial later this year. As of the date of this report, there is no additional information available, since this is still ongoing matter.

SUPPLEMENTARY INFORMATION

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

COMBINING STATEMENT OF FINANCIAL POSITION
INDIRECT FEDERAL PROGRAMS
SEPTEMBER 30, 2013

	CSBG Program	Dept. Of Energy Weatherization Program	LIHEAP Energy Assistance Program	Child Care Food Program	Dept. Of Energy Weatherization ARRA Prog.	Totals Memorandum
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ (2,492)	\$ 54,596	\$ (4,556)	\$ 17,385	\$ 20,542	\$ 85,475
Grant Receivable	-	12,221	10,535	47,409	-	70,165
Due from Other Programs	-	-	57,617	-	-	57,617
Total Current Assets	(2,492)	66,817	63,596	64,794	20,542	213,257
Property Plant and Equipment						
Property, Plant and Equipment, net of Accumulated Depreciation	3,029	748	1,164	-	28,106	33,047
TOTAL ASSETS	\$ 537	\$ 67,565	\$ 64,760	\$ 64,794	\$ 48,648	\$ 246,304
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	\$ 3,804	\$ 1,260	\$ -	\$ 20,886	\$ 169	\$ 26,119
Accrued Expenses	-	-	-	-	-	-
Due to Other Programs	8,012	8,000	-	34,383	40,000	90,395
Notes Payable - Current Portion	-	-	-	-	-	-
Total Current Liabilities	11,816	9,260	-	55,269	40,169	116,514
Long-Term Liabilities						
Notes Payable	-	-	-	-	-	-
Total Liabilities	11,816	9,260	-	55,269	40,169	116,514
Net Assets						
Unrestricted	(10,779)	58,305	64,760	9,525	8,479	130,290
TOTAL LIABILITIES AND NET ASSETS	\$ 1,037	\$ 67,565	\$ 64,760	\$ 64,794	\$ 48,648	\$ 246,804

The accompanying notes are an integral part of this statement.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

COMBINING STATEMENT OF ACTIVITIES INDIRECT FEDERAL PROGRAMS
SEPTEMBER 30, 2013

	CSBG Program	Dept. Of Energy Weatherization Program	LIHEAP Energy Assistance Program	Child Care Food Program	Dept. Of Energy Weatherization ARRA Prog.	Total
Support						
Grants Earned	\$ 151,200	\$ 182,429	\$ 468,202	202,746	21,919	\$ 1,026,496
In-Kind Contributions	-	-	-	-	-	-
Other Support	-	130	(133)	-	8	5
Total Support	<u>151,200</u>	<u>182,559</u>	<u>468,069</u>	<u>202,746</u>	<u>21,927</u>	<u>1,026,501</u>
Expenses						
Program Services						
Salaries	82,326	73,640	31,978	96,483	27,642	312,069
Fringe Benefits	10,403	14,048	5,001	10,165	2,607	42,224
Contractual	2,424	506	459	18	756	4,163
Travel	3,770	352	546	-	-	4,668
Space Costs	2,959	840	-	-	-	3,799
Consumable Supplies	29,410	7,687	8,831	5,090	14,943	65,961
Materials/Food Costs	12,185	64,616	443,444	102,243	10,578	633,066
Other Expenses	8,291	5,054	1,445	373	1,698	16,861
In-Kind Contributions	-	-	-	-	-	-
Total Program Services	<u>151,768</u>	<u>166,743</u>	<u>491,704</u>	<u>214,372</u>	<u>58,224</u>	<u>1,082,811</u>
Increase (Decrease) in Unrestricted Net Assets Before Operating Transfers	(568)	15,816	(23,635)	(11,626)	(36,297)	(56,310)
Operating Transfers In (Out)	<u>(8,769)</u>	<u>-</u>	<u>-</u>	<u>39,843</u>	<u>-</u>	<u>31,074</u>
Increase (Decrease) in in Unrestricted Assets	(9,337)	15,816	(23,635)	28,217	(36,297)	(25,236)
Net Assets, Beginning of the Year	<u>(1,441)</u>	<u>42,490</u>	<u>88,395</u>	<u>(18,693)</u>	<u>44,776</u>	<u>155,527</u>
Net Assets, End of the Year	<u>\$ (10,778)</u>	<u>\$ 58,306</u>	<u>\$ 64,760</u>	<u>\$ 9,524</u>	<u>\$ 8,479</u>	<u>\$ 130,291</u>

AVOUELLES PROGRESS ACTION COMMITTEE, INC.

COMBINING STATEMENT OF CASH FLOWS INDIRECT FEDERAL PROGRAMS
SEPTEMBER 30, 2013

	CSBG Program	Dept. Of Energy Weatherization Program	LIHEAP Energy Assistance Program	Child Care Food Program	Dept. Of Energy Weatherization ARRA Prog.	Total
Cash Flows from Operating Activities:						
Change in Net Assets	\$ (9,338)	\$ 15,815	\$ (23,635)	28,218	(36,297)	\$ (25,237)
Adjustments to reconcile changes in Net Assets to Net Cash Provided						
Operating Activities:						
Depreciation	3,106	258	281	-	12,567	16,212
(Increase) Decrease in Operating Assets:						
Grants Receivable	(500)	(12,221)	104,347	(23,704)	-	67,922
Other Receivables	-	-	(9,699)	-	-	(9,699)
Increase (Decrease) in Operating Liabilities:						
Accounts Payable	339	1,174	(74,547)	(2,968)	(462)	(76,464)
Accrued Expenses	-	-	-	-	-	-
Other Payables	2,269	(2,629)	-	-	(524)	(884)
Net Cash Provided by Operating Activities	(4,124)	2,397	(3,253)	1,546	(24,716)	(28,150)
Cash Flows from Financing Activities:						
Proceeds from Debt	-	-	-	-	-	-
Transfers (To) From Other Funds	-	-	-	-	-	-
Principal Payments on Debt	-	-	-	-	-	-
Net Cash Provided from Financing Activities	-	-	-	-	-	-
Cash Flows From Investing Activities:						
Purchase of Equipment	-	(935)	-	-	-	(935)
Net Increase (Decrease) in Cash and Cash Equivalents	(4,124)	1,462	(3,253)	1,546	(24,716)	(29,085)
Cash and Cash Equivalents Beginning of the Year	1,632	53,134	(1,303)	15,839	45,258	114,560
Cash and Cash Equivalents End of the Year	\$ (2,492)	\$ 54,596	\$ (4,556)	\$ 17,385	\$ 20,542	\$ 85,475

COMPLIANCE AND INTERNAL CONTROL

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Board of Directors
Avoyelles Progress Action Committee, Inc.
Marksville, Louisiana

I have audited the financial position of the Avoyelles Progress Action Committee, Inc. (a nonprofit organization) as of September 30, 2013, and have issued my report thereon dated August 8, 2014. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Avoyelles Progress Action Committee, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned costs as items 2013-1 and 2013-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Avoyelles Progress Action Committee, Inc.'s internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Avoyelles Progress Action Committee, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Avoyelles Progress Action Committee, Inc.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I considered to material weaknesses, as defined above.

This report is intended solely for the information and use of management and others within the organization and grant awarding agencies and the Legislative Auditor and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited. Also, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Roy K. Derbonne, Jr.
Certified Public Accountant

Alexandria, Louisiana
August 8, 2014

SINGLE AUDIT

Roy K. Derbonne, JR., LLC

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors
Avoyelles Progress Action Committee, Inc.
Marksville, Louisiana

I have audited the general-purpose financial statements of the Avoyelles Progress Action Committee, Inc. for the year ended September 30, 2013, and have issued my report dated August 8, 2014. My audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.



Roy K. Derbonne, Jr., LLC
Certified Public Accountant

Alexandria, Louisiana
August 8, 2014

Roy K. Derbonne, JR., LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Avoyelles Progress Action Committee, Inc.
Marksville, Louisiana

Compliance

I have audited the Avoyelles Progress Action Committee, Inc.'s compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of the Avoyelles Progress Action Committee, Inc.'s major federal programs for the year ended September 30, 2013. The Avoyelles Progress Action Committee, Inc.'s major federal programs are identified in the schedule of federal financial assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Avoyelles Progress Action Committee, Inc.'s management. My responsibility is to express an opinion on the Avoyelles Progress Action Committee, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

An audit includes examining, on a test basis, evidence about the Avoyelles Progress Action Committee, Inc.'s compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Avoyelles Progress Action Committee, Inc.'s compliance with those requirements.

In my opinion, the Avoyelles Progress Action Committee, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2013.

Internal Control Over Compliance

Management of the Avoyelles Progress Action Committee, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Avoyelles Progress Action Committee, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on

compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Avoyelles Progress Action Committee, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information and use of the Board of Directors, the Legislative Auditor of the Legislative Auditor of the state of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.



Roy K. Derbonne, Jr.
Certified Public Accountant

Alexandria, Louisiana
August 8, 2014

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2013

	CFDA No.	Local Program Number	Disbursements
U. S. Department of Agriculture			
Passed through the State of Louisiana			
Department of Education:			
Child Care Food Program	10.558	CACFP-2010	\$ 264,371
U. S. Department of Energy			
Passed through the State of Louisiana			
Department of La. Housing Financing Agency:			
Weatherization Assistance for Low-Income Person	81.042	DE-EE0000122	116,744 *
Weatherization Assistance for Low-Income Person - ARRA Funds	81.042	DE-EE0000122	58,224 *
U. S. Department of Health and Human Services			
Direct Program:			
Head Start	93.600	06CH5109/44	2,420,768 *
Passed through the State of Louisiana			
Department of Louisiana Housing Financing Agency:			
Low Income Home Energy Assistance Payments	93.568	CFMS 565754	491,704 *
Passed through the State of Louisiana			
Department of Labor:			
Community Service Block Grant	93.569	2009N0051	<u>151,769</u>
Total Federal Award Program Expenditures			<u><u>3,503,580</u></u>

* - Denotes a major program

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2013

NOTE A - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards of the Avoyelles Progress Action Committee, Inc., has been prepared utilizing the accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in, the preparation of the general purpose financial statements.

NOTE B - Subrecipients

Of the federal Expenditures presented in the schedule of federal awards, Avoyelles Progress Action Committee, Inc. pass through any federal awards to any subrecipient.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

PART I – SUMMARY OF AUDITOR'S RESULTS

An unqualified opinion was issued on the financial statements of September 30, 2013.

The report on internal control included no reportable conditions.

The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of the Avoyelles Progress Action Committee, Inc.

The results of the audit disclosed two instances of noncompliance with respect to compliance with laws, regulations, contracts, and grants, which is material to the financial statements.

PART II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS, WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

None.

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS REQUIRED TO BE REPORTED IN ACCORDANCE WITH OMB CIRCULAR A-133

An unqualified opinion was issued on the financial statements of September 30, 2013.

The report on internal control included no reportable conditions.

There were no audit findings that were required to be disclosed in accordance with Circular A-133, Section .510(a).

Major Federal Awards Programs

	<u>CFDA Number</u>
Weatherization Assistance for low income persons	81.042
Low Income Home Energy Assistance Payments	93.568
Head Start	93.600

Dollar threshold used to identify Type A

Auditee does not qualified as a low-risk auditee under Section 530 of OMB Circular A-133.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2013

Finding 2013-01 – Failure to Submit Financial Statements Timely

Louisiana Revised Statute 24:513 requires that the Organization's audit report to be filed with the Legislative Auditor's Office by the end of the sixth month following the close of the Organization's fiscal year. The audit report was not filed with the Legislative Auditor's Office within the prescribed period.

Cause

Due to the turn over in the accounting department, the records were late in being completed. This caused the auditors to delay some of their work, thus making the report late.

Recommendation

It is recommended that the audit be completed and provided to the Legislative Auditor's Office within the prescribed period set by Louisiana Revised Statute 24:513.

Corrective Plan of Action

The Organization's accounting software for general ledger and payroll is currently in place and functioning properly. The Organization has retained stability in their accounting department, as there has been no additional turnover in that department. With accounting software in place as well as the accounting department's personnel the same, management believes that the audit for 2014 will be timely filed.

Finding 2013-02 – Inadequate Collateralized Deposits Pursuant to R.S. 39:1224

The Organization's deposits were not adequately covered at all times by FDIC Insurance and collateral pledged by the financial institution.

Recommendation

It is recommended that the Organization have the financial officer review all collateral on a monthly basis to make sure that the Organization's funds are adequately secured by either FDIC Insurance or collateral pledged by the financial institution.

Corrective Plan of Action

The Organization will consider implementing the above recommendation immediately.

AVOYELLES PROGRESS ACTION COMMITTEE, INC.
 SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
 FOR THE YEARS END JUNE 30, 2012

Description of Finding	Corrective Action Taken	Corrective Action Planned
Finding 2012-1 - Timely Filing of Audit	No	The Organization has purchased new accounting software, that once installed and operating will provide accurate and reliable financial data for the Organization as well as allowing for the completion of the audit on a timely basis.
Finding 2012-02 - Inadequate Accounting System. The payroll program used by the Organization was not posting to the correct general ledger accounts, thus causing individual funds to be out of balance, although when taken together, the overall general ledger was in balance.	Yes	
Finding 2012-03 - Fixed Assets Fixed asset inventories were not matching the Organization's depreciation schedules.	Yes	